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DEPT. FOR AF/S; OES/IHB  
STATE PLEASE PASS OGAC: BPATEL; WCOGGINS  
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SUBJECT: Anglo-American Targets Workers' Families to Tackle HIV in Mines

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11. Summary: Anglo American Plc (Anglo) has approved a country-wide expansion of its employee HIV and anti-retroviral treatment program (ART) for AIDS to encompass the families of its 75,000 workers. South Africa's Business Times reported that this is the first time a major South African company has moved on such a large scale to save dependents of its workforce from HIV/AIDS. Anglo Senior Vice President for Health Dr. Brian Brink confirmed to Embassy Health Officer that Anglo has committed to extending HIV/AIDS testing and treatment to the dependents of all employees in southern Africa who are not covered by health insurance, but acknowledged that rollout of the program will be slow and face many hurdles. Delivering on this commitment is not without major logistical challenges, especially since many employees have families living in remote rural parts of South Africa and neighboring countries. End Summary.

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A Necessary Step  
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12. Anglo estimates HIV infection rates of between 20 percent and 30 percent in the communities where its businesses are located, as well as in the communities where its employees originate or live. This compares with an infection rate for its workforce of 21 percent in 2006 and 19 percent in 2007, as reported in Anglo's Annual Report to Society. Comment: Anglo noted that its 2007 numbers differ significantly from prior years due to certain divestments in 2006 and 2007 and because AngloGold Ashanti's HIV and AIDS numbers were not included in its 2007 report. Brink and South Africa Chamber of Mines Medical Advisor Dr. Mohamed Randera had indicated a much higher prevalence rate of 30 percent or more amongst mine workers in a previous conversation with Embassy Minerals/Energy Specialist. The 30 percent rate is in line with a survey funded by USAID and conducted by the Center for Scientific and Industrial Research and the Medical Research Council from 1998-2001 which found a 30 percent prevalence rate among miners in the Carletonville mining area of Northwest Province, South Africa. End Comment.

13. Brink commented to Embassy Health Officer that the problem at Anglo was not that the rate of new HIV infection is getting worse, but rather that it is not getting better. "The only way to really tackle the epidemic is to include the employees' families in prevention, counseling and treatment efforts. This is because a high number of HIV negative employees return home where they may become infected with HIV. Additionally, many HIV-positive employees discontinue ART after starting treatment and may return home to infect their spouses," he explained. Anglo reports that one-third

of those who start ART drop out for various reasons: 7.6 percent due to death, 10.5 percent do not adhere to treatment and 8.4 percent leave employment. Comment: This is in accord with Brink's prior comments to Embassy Minerals/Energy Specialist that behavior patterns among miners had not changed despite all of Anglo's HIV awareness programs and interventions. End Comment.

¶4. There are problems of identifying and locating family members, in addition to logistical difficulties in reaching families living in remote areas. Brink related that the initial start-up phase of the program will concentrate on encouraging employees to identify eligible family members. One issue is the definition of "eligible family members," since many South Africans support large extended families and may not be legally married to their partner. Brink noted that Anglo will be liberal in defining who a family member is and will accept an affidavit that the employee is obligated to support the individual. He estimated that the program will cost approximately \$50 million rand (\$6.5 million) during its initial phase, with an estimated cost of \$150 million rand (\$19.5 million) over the longer term. Brink was not certain how long it would take to fully roll-out the program.

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Anglo: A Long History of Tackling AIDS  
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¶5. Anglo has been tackling HIV/AIDS among its employees with a comprehensive HIV/AIDS management program that it first announced in 2002. Many industry and public health experts consider the program to be one of the best in the world. Anglo's program starts 150 of the company's 28,000 HIV-positive employees on antiretroviral treatment (ART) every month. Sixty nine percent of its estimated 13,886 HIV-positive employees were enrolled in HIV disease management programs at the end of 2007. Of these, twenty six

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percent of HIV-positive employees (3,617) were receiving ART and sixty nine percent (9,529) were enrolled in wellness programs. During 2007, the company launched another major campaign to encourage all employees to be voluntarily tested for HIV. Just over 70 percent of Anglo's 75,000 employees throughout southern Africa underwent counseling and voluntary HIV testing (VCT). Anglo's exploration division, which has a mobile workforce, provided VCT to 90 percent of its African-based staff. Knowledge is the major foundation for the program and high VCT coverage enhances Anglo's ability to gauge whether its commitment to preventing new infections is succeeding.

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The Benefits Outweigh the Costs  
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¶6. A study by Anglo Gold released in 2002 suggested that treatment would add \$4-\$6, or up to 2 percent, to the cost of producing an ounce of gold; but that the cost could rise to \$9 per ounce if the company failed to act. In 2002, Anglo Gold decided to provide ART to employees where medically indicated, in advance of the South African Government-provided ART program that followed in 2004. The company was faced with either introducing what was deemed to be a high-cost intervention in the form of ART, or face the reality of rising death rates (peaking at 14 people per 1,000 employees in 2004) and the consequent impact on the company, employees and their communities. The loss of a breadwinner in the South African context could have an impact on more than 10 people, very often in rural and poverty-stricken areas of Southern Africa.

¶7. "The benefits outweigh the cost, and Anglo has data to prove it," according to Brink. "If you compare the year before and the year after the company began offering the treatment, sick leave at Anglo dropped by 69 percent and absenteeism fell by 53 percent." Drug access and affordability have improved over the past five years and the cost implications have not been as significant as had originally been envisaged. Interventions with ART have increased both the physical and economic lifespan of those affected, and have

limited the social consequences associated with the loss of a breadwinner. In addition, outcomes to date indicate lower costs of medical care and lower-than-expected recruitment costs. The Aurum Institute for Health Research (another PEPFAR-funded organization) estimated the potential economic impact of untreated HIV/AIDS on AngloGold as part of an independent Anglo American group-wide assessment funded by GlaxoSmithKline and undertaken by Aurum. This study indicated that if the company did not undertake treatment the economic impact of HIV to AngloGold Ashanti would continue to rise from 2003 and would reach 6percent of payroll in 2006. The greatest impacts would occur in medical care (47percent) and absenteeism (36 percent).

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Anglo Coal Confirms Benefits  
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¶18. Anglo Coal South Africa (ACSA), a wholly owned Anglo company, introduced its ART program in South Africa in August 2002 and became the first mining company in South Africa to administer ART to its workers at the company's expense. An estimated 80 percent of HIV-infected employees have been registered on its HIV Disease Management Program. By the end of February 2007, 1,099 employees were registered on the program with 350 receiving ART treatment. Anglo Coal achieved an impressive 84 percent coverage with its VCT program.

¶19. Anglo Coal relates that the overall benefits of its HIV program are a significant reduction in incidence of new HIV infections. ACSA recorded 80 new infections in employees previously known to be HIV negative (i.e. 1.8 percent), but this is significantly lower than the predicted 3-4 percent. Anglo Coal believes that the lower rate of infection means that more than fifty new infections were prevented due to changed risk behavior. Benefits include a reduction in morbidity and mortality, improved health/functionality of employees, and reductions in absenteeism, loss of skills, knowledge and experience. ACSA concludes that it has retained the skills, knowledge and experience of a significant number of employees as a result of the HIV Disease Management Program, who would, in its absence, have died or retired. Efforts to mitigate

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the economic impact of HIV are constrained by employees' reluctance to be tested (although this has improved significantly), late presentation for treatment, and the still relatively low uptake of ART on the part of employees.

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Anglo's Program - Not the First  
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¶10. Anglo is not the first business to expand its treatment program to families of employees. Anglo owns a 45 percent shareholding in De Beers, which was the first mining company in South Africa to provide free anti-retroviral treatment for spouses and retired and retrenched employees in July 2003. PEPFAR is funding an innovative private-public partnership in South Africa between X-Strata Coal, South Africa (X-Strata) and Re-Action (a professional services agency for health and sustainability) to help stabilize the health and welfare of X-Strata's employees, their families and communities. Sharon White of Re-Action related to Embassy Health officer that X-Strata has been rolling out its HIV program to family members of its employees for the past two years. X-Strata employs approximately 8,000 people at its thermal coal operations in Mpumalanga Province, the 'Coal Powerbelt' of South Africa, where it is estimated that one-in-four people is living with HIV. X-Strata has committed to multi-year funding of the program with its \$2.1 million annual contribution matched with PEPFAR funding beginning in ¶2007. Through a community clinic built and funded by X-Strata and a number of existing public sector clinics and hospitals, the program has expanded community outreach services; engaged traditional healers; delivered community-based health education and training; conducted HIV and TB testing campaigns; supported HIV care and antiretroviral (ARV) treatment delivery; staffed and upgraded health

facilities; and strengthened community TB/HIV services. X-Strata won a 2008 Global Business Coalition Award for Business Excellence for the program.

¶11. Comment: It is important for the mining industry to have effective HIV programs since miners have one of the highest HIV incidence rates in the world due to high mobility of the workers, isolation, stress, and access to and ready availability of sex workers, alcohol and drugs. The problem is part of a legacy that dates back a century when South Africa's mining companies began using migrant blacks as cheap laborers. The South African mining sector also has one of the highest incidence rates of TB in the world, due to the twin risk factors for TB of high HIV-prevalence in mines and occupational exposure to silica dust.

¶12. Anglo's ability to make a dent in the HIV incidence rate in its employees and their families will depend on its ability to overcome the difficult logistical hurdles of locating and serving a largely remote, rural population. It will be useful to see whether the program has an impact on HIV incidence among Anglo employees, who have not shown improvement even with Anglo's industry-leading, comprehensive employee HIV program. Anglo is not the first South African business to extend HIV services to the families of its employees, but it is setting a positive example for other companies, Qemployees, but it is setting a positive example for other companies, many of which are just beginning to establish their own HIV programs. End Comment.  
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